

SEYFARTH, SHAW, FAIRWEATHER & GERALDSON
55 EAST MONROE STREET
CHICAGO, ILLINOIS 60603

AREA CODE 312 346-8000

CABLE ADDRESS: INTERLEX

WRITER'S DIRECT DIAL (312) — ~~269~~-8886

LOS ANGELES OFFICE
2029 CENTURY PARK EAST
LOS ANGELES, CALIF 90067
AREA CODE 213 277-7200

NEW YORK OFFICE
520 MADISON AVENUE
NEW YORK, NEW YORK 10022
AREA CODE 212 715-9000

WASHINGTON, D.C. OFFICE
1111 19TH STREET, N.W.
WASHINGTON, D.C. 20036
AREA CODE 202 463-2400

SAN FRANCISCO OFFICE
44 MONTGOMERY STREET
SAN FRANCISCO, CALIFORNIA 94104
AREA CODE 415 397-2823

February 5, 1986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Secretary, Interstate
Commerce Commission
Washington, D.C. 20423

Re: Documents for Recordation

Dear Secretary:

I am an attorney representing the parties to the enclosed Agreement for the purpose of this recordation. I have enclosed one original and four certified copies of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code and the regulations adopted pursuant thereto.

This document is a Lease, a primary document dated as of December 31, 1985.

The names and addresses of the parties to this document are as follows:

Lessor: BancBoston Leasing Inc.
100 Federal Street
Boston, Massachusetts 02110

Lessee: Alby-Olin Chlorates Company
1281 East Main Street
Stamford, Connecticut 06904

The equipment covered by the document is comprised of 60 naquamatic type slurry hopper cars bearing the running marks attached hereto as Schedule 1.

RECORDATION NO. 14895 DATE 2/10/86
FEB 10 1986 10:50 AM
INTERSTATE COMMERCE COMMISSION
100 Washington, D. C.

Secretary, Interstate Commerce
Commission

February 5, 1986
Page 2

A fee of \$10.00 is enclosed. Please return the original document and any extra copies not needed by the Commission for recordation to Richard Demarest Yant, Seyfarth, Shaw, Fairweather & Geraldson, 55 East Monroe Street, Suite 4200, Chicago, Illinois 60603.

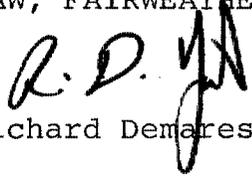
A short summary of the document to appear in the index follows:

Lease of 60 hopper cars from BancBoston Leasing, Inc., 100 Federal Street, Boston, Massachusetts 02110 to Alby-Olin Chlorates Company, 1281 East Main Street, Stamford, Connecticut 06904 dated as of December 31, 1985.

Very truly yours,

SEYFARTH, SHAW, FAIRWEATHER & GERALDSON

By


Richard Demarest Yant

RDY/kja

Enclosures

cc: Paul Lechner
Winston Lowe
William J. A. Sparks
Terrence McGinnis
David Dodge

SCHEDULE 1

RUNNING
NUMBER

NAHX

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14895
RECORDATION NO. FEB 1986

FEB 10 1986 - 10 05 AM

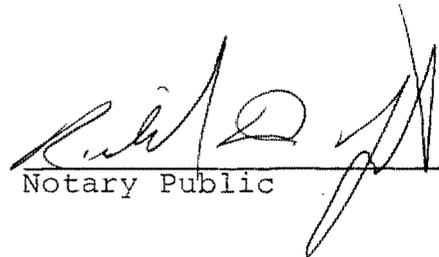
INTERSTATE COMMERCE COMMISSION

CERTIFIED COPY

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, a notary public in and for the State and County
aforesaid, have examined the attached copy of a Master
Lease Agreement dated December 31, 1985 between BancBoston
Leasing Inc. and Alby-Olin Chlorates Company and have
compared it with the original. I have found the attached
copy to be complete and identical in all respects to the
original document.

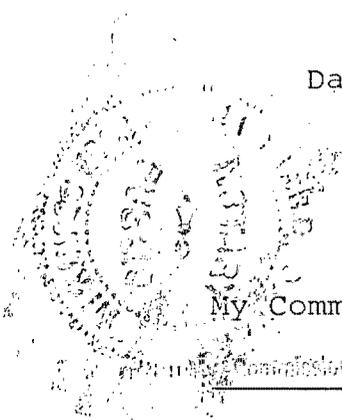
Dated: February 4, 1986.



Notary Public

My Commission Expires:

December 2, 1987



0111g
123185

14895
RECORDATION NO. 1425

FEB 10 1986 - 10 05 AM

MASTER LEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

This MASTER LEASE AGREEMENT, dated as of the 31st day of December, 1985 ("Lease Agreement"), is made at Boston, Massachusetts by and between BancBoston Leasing Inc. ("Lessor"), a Massachusetts corporation with its principal place of business at 100 Federal Street, Boston, Massachusetts 02110 and Alby-Olin Chlorates Company ("Lessee"), a Connecticut partnership with its principal place of business at 1231 East Main Street, Stamford, Connecticut 06904.

IN CONSIDERATION OF the mutual promises and covenants contained herein, Lessor and Lessee hereby agree as follows:

1. PROPERTY LEASED. Subject to the terms and conditions of this Lease Agreement, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the personal property ("Equipment") identified in one or more equipment schedules in the form of Exhibit A attached hereto ("Equipment Schedule") and accepted by Lessee in one or more certificates of acceptance ("Certificate of Acceptance") in the form of Exhibit B attached hereto. Any Equipment Schedule or Certificate of Acceptance referring to this Lease Agreement and executed by Lessee shall constitute a part of this Lease Agreement.
2. CERTAIN DEFINITIONS.
 - 2.1 The "Commencement Date" as to any unit of the Equipment shall mean the date on which such unit of the Equipment identified in the applicable Equipment Schedule is accepted and placed in service by Lessee under this Lease Agreement. Each Commencement Date shall be evidenced by the Certificate of Acceptance applicable to such Equipment Schedule.
 - 2.2 The "Rent Start Date" shall mean either (i) the first day of the month following the month in which the Commencement Date occurs or (ii) the Commencement Date, if the Commencement Date occurs on the first day of the month.
 - 2.3 The "Monthly Rent" shall mean the amount set forth in the applicable Equipment Schedule as monthly rent for the Equipment identified on such Equipment schedule.
 - 2.4 The "Daily Rent" shall mean 1/30th of the Monthly Rent.

3. TERM OF LEASE; PAYMENT OF RENT.

- 3.1 The term of lease for the Equipment ("Initial Term") shall commence on the later of January 1, 1986 or the Commencement Date set forth in the applicable Certificate of Acceptance (such date hereinafter referred to as the "Commencement Date"). The Initial Term shall continue for the full number of calendar months set forth in the applicable Equipment Schedule and shall be measured from the Rent Start Date, but in any event shall end no later than December 31 1990.
- 3.2 At or prior to 6 months before the expiration of the Initial Term, Lessee, at its option to be exercised by notice to Lessor, may extend the lease of the Equipment for any period as may be agreed upon in writing by Lessor and Lessee ("Extended Term") at the then fair market rental value, as determined in good faith by Lessor, which rental shall be provided within 30 days of Lessee's request therefor made after the beginning of the last year of the Initial Term; provided, however, no Extended Term shall commence unless the guarantor of Lessee's obligations hereunder shall have executed a new guaranty or affirmatively agreed to extend its existing guaranty with respect to such Extended Term.
- 3.3 The aggregate Daily Rent shall be due and payable by Lessee on the Rent Start Date in an amount equal to the Daily Rent multiplied by the actual number of days elapsed, from and including the Commencement Date to but excluding the Rent Start Date. The Monthly Rent shall be due and payable on the Rent Start Date and thereafter on the first day of each month of the Initial Term or Extended Term. All Daily Rents and Monthly Rent shall be paid to Lessor at its office in Boston, Massachusetts.

4. ACCEPTANCE OF EQUIPMENT; EXCLUSION OF WARRANTIES.

- 4.1 Lessee shall signify its acceptance of the Equipment identified in the applicable Equipment Schedule by executing and delivering to Lessor a Certificate of Acceptance. Lessee acknowledges that its execution and delivery of the Certificate of Acceptance shall conclusively establish, as between Lessor and Lessee, that the Equipment has been inspected by Lessee, is in good repair and working order, is of the design, manufacture and capacity selected by Lessee, and is accepted by Lessee under this Lease Agreement. However, Lessee may have rights against the supplier of the equipment (but not Lessor) pursuant to the assignment contained in Section 4.4 hereof.

4.3 LESSOR LEASES THE EQUIPMENT TO LESSEE AND LESSEE LEASES THE EQUIPMENT FROM LESSOR "AS IS". LESSEE ACKNOWLEDGES THAT (i) LESSOR IS NOT A MANUFACTURER, SUPPLIER OR DEALER OF SUCH EQUIPMENT NOR AN AGENT THEREOF; (ii) LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO ITS DESIGN, CAPACITY, CONDITION, MERCHANTABILITY, OR FITNESS FOR USE OR FOR ANY PARTICULAR PURPOSE; AND (iii) LESSOR HEREBY DISCLAIMS ALL SUCH REPRESENTATIONS AND WARRANTIES. FURTHER, LESSEE ACKNOWLEDGES THAT LESSOR IS NOT RESPONSIBLE FOR ANY REPAIRS, SERVICE, LATENT OR OTHER DEFECTS IN THE EQUIPMENT OR IN THE OPERATION THEREOF, OR FOR COMPLIANCE OF ANY EQUIPMENT WITH REQUIREMENTS OF ANY LAWS, ORDINANCES, OR GOVERNMENTAL RULES OR REGULATIONS, OR FOR ANY DIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR INABILITY TO USE THE EQUIPMENT. HOWEVER, LESSEE MAY HAVE RIGHTS AGAINST THE SUPPLIER OF THE EQUIPMENT (BUT NOT LESSOR) PURSUANT TO THE ASSIGNMENT CONTAINED IN SECTION 4.4 HEREOF.

4.4 Provided no Event of Default, as defined in Section 16, has occurred and is continuing, Lessor agrees to cooperate with Lessee, at Lessee's sole cost and expense, in making any claim against a manufacturer or supplier (including General Electric Railcar Services Corporation) of the Equipment arising from a defect in the Equipment. Lessor hereby assigns to Lessee all warranties as to quality on the Equipment available from any manufacturer or supplier to the full extent permitted by the terms of such warranties and by applicable law, including such warranties as are contained in the Bill of Sale for the Equipment.

5. OWNERSHIP; INSPECTION; MAINTENANCE AND USE

5.1 The Equipment shall at all times be the sole and exclusive property of Lessor. Any Equipment subject to titling and registration laws shall be titled and registered by Lessee or Lessee's agent on behalf of and in the name of Lessor at Lessee's sole expense. Lessee or Lessee's agent, on behalf of Lessor, shall also register the equipment and maintain each registration in the Uniform Machine Language Equipment Register. Lessee shall cooperate with and provide Lessor with any information or documents necessary for titling or registration of the Equipment. Upon the request of Lessor, Lessee shall execute any documents or instruments which may be necessary to record or to give notice of Lessor's ownership of the Equipment or the existence of this Lease, including but not limited to financing statements under the Uniform Commercial Code and filings with the Interstate Commerce Commission or any other, successor or non-governmental agency having

will cause this Lease Agreement to be filed with the Interstate Commerce Commission and will cause the interests of Lessor and Lessee (together with that of any agent of Lessee) to be registered with the Uniform Machine Language Equipment Register. Lessee or Lessee's agent, at the request of Lessor, shall affix to the Equipment any label, plaque or other insignia supplied by Lessor designating Lessor's ownership of the Equipment and/or the security interest of any lender of Lessor.

5.2 Lessee agrees to use the Equipment exclusively in its own service, except as provided herein, and none of the Equipment shall be shipped beyond the boundaries of the United States and Canada except with the prior written consent of Lessor. If any of the Equipment is used outside the continental United States, Lessee shall pay, or reimburse Lessor for, all customs duties, taxes, or other expenses resulting from such use or movement. In any event, Lessee covenants and agrees that the use of the Equipment will not be predominantly outside the United States.

5.3 Lessee shall pay all costs, expenses, fees and charges whatsoever incurred in connection with the use and operation of the Equipment. Lessee shall at all times and at its own expense keep the Equipment in good repair and working order, reasonable wear and tear excepted and in accordance with the Field Manual and the Official Manual of the Rules of Interchange of the Association of American Railroads ("AAR") and meeting all inspection requirements of the Federal Railroad Administration or any other organization or agency having jurisdiction over the Equipment. Any maintenance contract required by a manufacturer or supplier for the care and upkeep of the Equipment shall be entered into by Lessee at its sole cost and expense. Lessee shall permit the use and operation of the Equipment only by personnel authorized by Lessee except when the Equipment is in the possession of a common carrier and shall comply with all laws, ordinances or governmental rules and regulations relating to the use and operation of the Equipment, including, but not limited to those relating to the carriage of Sodium Chlorate or any other commodity loaded in any unit of Equipment. Lessee will not load the Equipment or permit the Equipment to be loaded in excess of the maximum load limit permitted by the carrier or applicable law.

6. ALTERATIONS AND MODIFICATIONS. Lessee may make or have made on its behalf any improvement, modification or addition to the Equipment only with the prior written consent of Lessor, unless such improvement, modification or addition is readily removable without causing damage to or impairment of the functional effectiveness of the

Equipment. Any other accession, alteration, substitution, addition, improvement, repair and replacement of or to the Equipment of any nature shall immediately become Lessor's property and thereupon shall become Equipment for all purposes of this Lease Agreement. Lessor hereby consents to the addition of lining to the Equipment for Sodium Chlorate service and to any alteration or addition that is mandated by the United States Department of Transportation, the Association of American Railroads or any other governmental or non-governmental entity having jurisdiction over Lessee or the Equipment (the "Mandated Changes"). Lessee agrees to cause all Mandated Changes to be made prior to a date when the absence of such Mandated Changes would disqualify such unit of Equipment from interchange in interstate rail traffic; provided however, Lessee need not cause such Mandated Changes to be made if it determines that the cost thereof is not economical to expend in view of the remaining useful life of such unit of Equipment, in which event such unit of Equipment shall be treated the same as though it were destroyed for the purposes of Section 10.2 hereof; provided, that, in the event Lessee exercises its option under either Section 3.2 hereof or Section 13 hereof, Lessor shall credit Lessee with the cost of such Mandated Changes prorated from the date of such option over the remaining economic life of the Equipment against the fair market rental value or the fair market value of the Equipment as the case may be.

7. QUIET ENJOYMENT; NO DEFENSE, SET-OFFS OR COUNTERCLAIMS.

7.1 Provided no Event of Default, as defined in Section 16, has occurred and is continuing, Lessee shall have the quiet enjoyment and use of the Equipment in the ordinary course of its business during the Initial Term or any Extended Term without interruption by Lessor or any person or entity claiming through or under Lessor.

7.2 Lessee acknowledges and agrees that, after acceptance of the Equipment by Lessee on the Commencement Date and subject to the provisions of Section 7.1, SECTION 10.2 and Section 10.3 hereof, ANY DAMAGE TO, LOSS, DESTRUCTION, DEFECT OR UNFITNESS OF THE EQUIPMENT OR INABILITY TO USE THE EQUIPMENT FOR ANY REASON WHATSOEVER SHALL NOT GIVE RISE TO ANY DEFENSE, COUNTERCLAIM OR RIGHT OF SET-OFF AGAINST LESSOR NOR RELIEVE LESSEE OF THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS LEASE AGREEMENT, INCLUDING BUT NOT LIMITED TO ITS OBLIGATION TO PAY DAILY RENT AND MONTHLY RENT, WHICH OBLIGATIONS ARE ABSOLUTE AND UNCONDITIONAL UNLESS SUCH OBLIGATION AS TO A PARTICULAR UNIT OF EQUIPMENT IS TERMINATED AS PROVIDED IN SECTION 10.2 HEREOF.

8. ADVERSE CLAIMS AND INTERESTS.

- 8.1 Except for any liens, claims, encumbrances or security interests created by Lessor, Lessee shall promptly remove all liens, claims encumbrances and security interests attaching to the Equipment and all levies, seizures and attachments arising out of through Lessee or Lessee's Agent or Lessee's or Lessee's Agent's acts or omissions. Without limitation of Lessee's covenants and obligations set forth in the preceding sentence, Lessee shall immediately notify Lessor of the imposition of any tax lien on the Equipment by any federal, state or local authority.
- 8.2 Lessee agrees that the Equipment shall be and at all times shall remain personal property. Accordingly, Lessee shall take such steps as may be necessary to prevent any person from acquiring, having or retaining any rights in or to the Equipment by reason of its being affixed or attached to real property.

9. INDEMNITIES; PAYMENT OF TAXES.

- 9.1 Lessee hereby agrees to indemnify and hold harmless Lessor, its agents, employees, successors and assigns from and against any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities in connection with the use of the Equipment, including but not limited to any claim or demand based upon any STRICT OR ABSOLUTE LIABILITY IN TORT and upon any infringement or alleged infringement of any patent, trademark, trade secret, license, copyright or otherwise but excluding those arising from negligence or malfeasance on the part of Lessor. Lessee shall also be liable, without limitation to the foregoing, for any loss of commodities or lading, demurrage, track storage or detention charges imposed in connection with any Equipment. All costs and expenses incurred by Lessor in connection with any of the foregoing, including but not limited to reasonable legal fees, shall be paid by Lessee. The obligations of Lessee under this Section 9.1 shall continue in full force and effect, notwithstanding the expiration or other termination of this Lease Agreement or any Equipment Schedule for any indemnity relating to or arising out of actions, damages, losses or events or resulting during the term of this Lease Agreement.
- 9.2 Lessee hereby agrees to pay before delinquent all taxes, assessments, licenses, registration fees and other governmental charges whatsoever, levied on or with respect to the Equipment or its use or related in any way to this Lease Agreement, except for taxes on or measured by the income of Lessor. Lessee shall file all required returns and furnish copies thereof to Lessor. Lessor shall cooperate with Lessee and provide Lessee with any

information in the possession of or reasonably available to Lessor in connection with Lessee's obligations under this Section 9.2. Lessee shall save and hold Lessor harmless from all penalties, interest payments, claims and expenses, including but not limited to reasonable legal fees, for any failure to comply with the requirements of this paragraph.

10. RISK OF LOSS; DAMAGE TO EQUIPMENT

10.1 Lessee hereby assumes and shall bear the entire risk of loss for theft, damage, seizure, condemnation, destruction or other injury whatsoever to any unit of the Equipment from any and every cause whatsoever. As between Lessor and Lessee, such risk of loss shall be assumed by Lessee from and after Lessee's acceptance of such unit of Equipment.

10.2 In the event of any loss, seizure, condemnation or destruction of or damage to any unit of the Equipment, Lessee or Lessee's agent shall within a reasonable time notify Lessor in writing. Within one hundred eighty (180) days of such notice, during which time Lessee shall continue to pay Monthly Rent, Lessee shall, at the option of Lessee, either (i) place such unit of the Equipment in good repair, condition and working order, if such can be accomplished at a reasonable cost or expense, provided, however, that Lessee shall not be obliged to undertake any repairs in the case of a seizure or the total loss of such unit of the Equipment; (ii) replace such unit of the Equipment with equipment of the same type and in good repair, condition and working order, transfer title to such unit of equipment to Lessor free of all liens, claims and encumbrances, whereupon such unit of equipment shall be deemed Equipment for all purposes of this Lease Agreement; or (iii) pay to Lessor an amount equal to the present value of the aggregate of the remaining unpaid Monthly Rents prorated for such unit of the Equipment, plus an amount equal to the reasonably anticipated residual value of such unit of the Equipment at the expiration of the Initial Term which, in any event, shall not be less than 20% of the total Equipment cost set forth on the applicable Equipment Schedule prorated for such unit of the Equipment, both amounts to be discounted to the date of payment at a rate equal to 9.19% per annum (such rate referred to herein as the "Cap Rate"), in which event Lessee's obligation to pay the Monthly Rent for such unit of the Equipment shall terminate. Any insurance, settlement or condemnation proceeds received by Lessor shall be credited to Lessee's obligation under this Section 10.2, and the remainder of such proceeds, if any, shall be paid to Lessee by Lessor in full compensation for the loss of Lessee's leasehold interest in the Equipment.

10.3 Upon any replacement of or payment for the Equipment as provided in Section 10.2, this Lease Agreement and the applicable Equipment Schedule shall terminate only with respect to the Equipment so replaced or paid for, and Lessor shall transfer title to such Equipment to Lessee "AS-IS" and "WHERE-IS", WITHOUT ANY WARRANTY WHATSOEVER EITHER EXPRESS OR IMPLIED. Lessee shall pay any sales or use tax as due on such transfer.

11. INSURANCE

11.1 To secure Lessee's obligations pursuant to Section 9 and 10 hereof, and not in substitution or limitation thereof, Lessee shall maintain adequate self insurance in lieu of public liability insurance, both personal injury and property damage, covering the Equipment, and Lessee shall be liable for any deductible portions of any applicable insurance and shall self insure for property damage which shall not be less than the replacement value of the Equipment.

12. SURRENDER TO LESSOR. Upon the expiration of the Initial Term or any Extended Term or at any other termination of this Lease Agreement, Lessee shall surrender the Equipment to Lessor in good repair and working order, and, subject to the provisions of Sections 5.3 and 6, reasonable wear and tear excepted, by assembling and delivering the equipment, ready for shipment, to such place or carrier as Lessor may designate at least 45 days in advance of the end of the Initial Term or applicable Extended Term. All costs of removal, assembly, packing and delivery of such Equipment to the place designated by Lessor shall be borne by Lessee. In addition, Lessee shall return the Equipment free from all accumulations or deposits from commodities transported in the Equipment while in the service of Lessee. If any of the Equipment is not returned to Lessor free from such accumulations or deposits, Lessee shall reimburse Lessor for any expense incurred in cleaning such Equipment.

13. FAIR MARKET VALUE PURCHASE OPTION. Lessor hereby grants to Lessee the option to purchase the Equipment at the expiration of the Initial Term or Extended Term for cash, "AS-IS" and "WHERE-IS," at a price equal to the then fair market value of such Equipment, as determined in good faith by Lessor which price will be provided within 30 days of request by Lessee made in the last year of the Initial Term or applicable Extended Term. Such option may be exercised by Lessee, provided that neither an Event of Default, as defined in Section 16, nor an event, which with the passing of time or giving of notice or both would constitute an Event of Default, has occurred and is continuing.

14. FINANCIAL STATEMENTS. Lessee shall cause Guarantor annually, within ninety (90) days after the close of Guarantor's fiscal year to furnish to Lessor financial statements of Guarantor (including a balance sheet as of the close of such year and statements of income and retained earnings for such year), prepared in accordance with generally accepted accounting principles, consistently applied from year to year, and certified by Guarantor's independent public accountants. If requested by Lessor, Guarantor shall also provide quarterly financial statements of Guarantor, similarly prepared for each of the first three quarters of each fiscal year, certified (subject to normal year-end audit adjustments) by Guarantor's chief financial officer, and furnished to Lessor within sixty (60) days following the end of the quarter.
15. DELAYED PAYMENT CHARGE. Lessee shall pay to Lessor interest upon the amount of any Daily Rent, Monthly Rent or other sums not paid by Lessee when due and owing under this Lease Agreement or Equipment Schedule, from the date 15 days after receipt by Lessee of an invoice therefor until paid at the rate of 1 1/2% per month, but if such rate violates applicable law, then the maximum rate allowed by such law.
16. DEFAULT.
 - 16.1 The occurrence of any of the following events shall constitute an event of default ("Event of Default") under this Lease Agreement:
 - (a) Lessee fails to pay any Daily Rent or any Monthly Rent when due and such failure to pay continues for ten (10) consecutive days after written notice of default from Lessor; or
 - (b) Lessee fails to pay any other sum required hereunder, which nonpayment continues for a period of ten (10) days following written notice of default from Lessor; or
 - (c) Lessee fails to perform any other term, covenant or condition of this Lease Agreement or any Equipment Schedule executed pursuant hereto or in connection herewith, which failure is not cured within thirty (30) days after written notice from Lessor; or
 - (d) Lessee ceases to exist or terminates its independent operations by reason of any discontinuance, merger, sale of substantially all of its assets, or otherwise, or ceases doing business as a going concern except in the case of a permitted transfer pursuant to Section 19.3 hereof; or

- (e) Lessee (i) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or similar official for itself or for all or a substantial part of its property, (ii) makes a general assignment for the benefit of its creditors, (iii) commences a voluntary case under the United States Bankruptcy Code (as now or hereafter in effect) seeking liquidation, reorganiza- tion or other relief with respect to itself or its debts, (iv) files a petition seeking to take advantage of any other law providing for relief of debtors; or

- (f) A proceeding or case is commenced without the application or consent of Lessee, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding up of Lessee or composition or readjustment of Lessee's debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or similar official for Lessee or for all or any substantial part of its assets, or (iii) similar relief with respect to Lessee, under any law providing for the relief of debtors; or an order for relief is entered with respect to Lessee in an involuntary case under the United States Bankruptcy Code (as now or hereafter in effect); or an action under the laws of the jurisdiction of incorporation or organization of Lessee, similar to any of the foregoing is taken with respect to Lessee without its application or consent and not dismissed within 60 days after commencement; or

- (g) Lessee or any Guarantor of Lessee's obligations hereunder makes any representation or warranty herein or in any statement or certificate at any time given in writing pursuant to or in connection with this Lease Agreement, which is false or misleading in any material respect; or

- (h) Any party to the guaranty given for the benefit of Lessor and obtained in connection with this Lease Agreement or any Equipment Schedule, breaches or fails to continue such guaranty or agreement.

16.2 No waiver by Lessor of any Event of Default shall constitute a waiver of any other Event of Default or of the same Event of Default at any other time.

17. REMEDIES.

17.1 Upon the occurrence of an Event of Default and while such Event of Default is continuing, Lessor may, at Lessor's sole option and upon Lessor's declaration, exercise any one or more of the following remedies:

- (a) Terminate this Lease Agreement as to any or all of the Equipment Schedules, whereupon all rights of Lessee to the quiet enjoyment and use of the Equipment shall cease and terminate, but Lessee shall remain liable for all of its obligations hereunder;
- (b) Whether or not this Lease Agreement is terminated, cause Lessee, at Lessee's sole expense, to return any or all of the Equipment promptly to the possession of Lessor; or, at Lessor's sole option and through its employees, agents or contractors, peaceably enter upon the premises where the Equipment is located and take immediate possession of and remove the Equipment, all without liability to Lessor, its employees, agents or contractors for such entry. LESSEE HEREBY WAIVES, TO THE EXTENT PERMITTED BY LAW, ANY AND ALL RIGHTS TO NOTICE AND/OR HEARING PRIOR TO THE REPOSSESSION OR REPLEVIN OF THE EQUIPMENT BY LESSOR, ITS AGENTS OR CONTRACTORS. Notwithstanding any such repossession or replevin of the Equipment, Lessee shall remain liable for all of its obligations hereunder;
- (c) Proceed by court action to enforce performance by Lessee of this Lease Agreement or any Equipment Schedule or pursue any other remedy Lessor may have hereunder, at law, in equity or under any applicable statute and recover such other actual damages as may be incurred by Lessor;
- (d) Recover from Lessee damages, not as a penalty but as liquidation for all purposes and without limitation of any other amounts due from Lessee under this Lease Agreement or any Equipment Schedule, in an amount

equal to the sum of (i) any unpaid Daily Rents and/or Monthly Rents due and payable for periods up to and including the period during which an Event of Default occurred and continued; (ii) the present value of all future Monthly Rents contracted to be paid over the remaining Initial Term or any Extended Term at a discount rate equal to the Cap Rate; and (iii) all costs and expenses incurred in searching for, taking, removing, storing, repairing, restoring, refurbishing and selling such Equipment;

- (e) Sell, lease or otherwise dispose of any or all of the Equipment, whether or not in Lessor's possession, at public or private sale and with or without notice to Lessee. Lessor shall then apply the net proceeds of such sale, lease or other disposition, after deducting all costs of such sale, including but not limited to costs of transportation, repossession, storage, refurbishing, advertising and broker's fees, to the obligations of Lessee hereunder in such order and manner as Lessor, in its sole discretion may determine. Lessee shall remain liable for any deficiency, and any excess of such proceeds over the total obligations owed by Lessee shall be retained by Lessor. If any notice of such sale, lease or other disposition of Equipment is required by applicable law, ten (10) days written notice to Lessee prior to the date of such sale, lease or other disposition shall constitute reasonable notice.

17.2 No right or remedy available to Lessor either in this Section 17 or by law, statute or in equity shall be deemed exclusive, but each shall be cumulative of every other such right or remedy. Lessor's exercise or enforcement of any such right or remedy shall not be deemed an election or a waiver by Lessor of any other right or remedy, nor shall any delay or omission by Lessor in exercising or enforcing any right or remedy be deemed a waiver of such right or remedy. No single or partial exercise of any right or remedy shall preclude any other or future exercise thereof, nor shall any failure by Lessor to make objection to the mode of any offered performance by Lessee operate as a waiver of any right or remedy of Lessor. Notwithstanding anything to the contrary contained herein Lessor's total remedy shall be limited to the sum of the amounts provided in Section 17.1(d) hereof minus the net proceeds of any disposition provided for in Section 17.1(e) hereof.

17.3 Lessee shall pay all costs and expenses, including but not limited to reasonable legal fees, incurred by Lessor in connection with any default by Lessee hereunder. Notwithstanding any provision of this Section 17 to the contrary, Lessee shall also be liable for any amounts due

to Lessor under any other provision of this Lease Agreement in any way related to Lessee's default hereunder.

18 Intentionally Omitted.

19. ASSIGNMENT; SUBLEASE

- 19.1 Lessor may sell, assign or otherwise transfer all or any part of its right, title and interest in and to the Equipment and this Lease Agreement and/or any Equipment Schedule to a third-party assignee, subject to the terms and conditions of this Lease Agreement, including but not limited to Lessee's right to the quiet enjoyment of the Equipment as set forth in Section 7.1. Such assignee shall assume all of the rights and obligations of Lessor under this Lease Agreement and all references to Lessor herein shall include such assignee.
- 19.2 Lessor may also pledge, mortgage or grant a security interest in the Equipment and assign this Lease Agreement or any Equipment Schedule as collateral. Each such pledgee, mortgagee, lienholder or assignee shall have any and all rights under this Lease Agreement assigned by Lessor but none of the obligations of Lessor other than Lessor's obligation pursuant to Section 7.1 hereof. Any pledge, mortgage or grant of security interest in the Equipment or assignment of this Lease Agreement and any Equipment Schedule shall be subject to the terms and conditions hereof, including but not limited to Lessee's right to the quiet enjoyment of the Equipment as set forth in Section 7.1. Lessor, by reason of such pledge, mortgage, grant of security interest or collateral assignment shall not be relieved of any of its obligations hereunder. Upon the written request of Lessor, Lessee shall acknowledge to such pledgee, mortgagee, lienholder or assignee that Lessee's obligations hereunder are absolute and unconditional as set forth in Section 7.2.
- 19.3 Lessee shall not sell, transfer, assign, sublease, convey or pledge any of its interest in this Lease Agreement, any Equipment Schedule or any of the Equipment, without the prior written consent of Lessor. Any such sale, transfer, assignment, sublease, conveyance or pledge, whether by operation of law or otherwise, without the prior written consent of Lessor, shall be void. Notwithstanding the provision of this section, Lessee may sublease any of the Equipment to its customers for single trips consistent with its normal merchandising methods or to any entity that is affiliated with Lessee or Olin Corp. so long as the guarantor of Lessee's obligation hereunder remains obligated under the terms of the guaranty, provided, however, that

notwithstanding any such sublease, Lessee shall continue to remain liable to Lessor under all conditions and terms of this Agreement.

20. Optional Performance by Lessor. If an Event of Default, as defined in Section 16, occurs and is continuing, Lessor in its discretion may pay or perform such liability or obligation in whole or in part (without thereby becoming obligated to pay or perform the same on any other or future occasion or to pay any other or future liability or obligation of Lessee). In such event, Lessee shall pay forthwith to Lessor the amount of such payment or an amount equal to all costs and expenses of such performance, as well as any delayed payment charges on such amounts as set forth in Section 15.
21. Compliance and Approvals. Lessee warrants and agrees that this Lease Agreement, each Equipment Schedule, and Certificate of Acceptance, and Lessee's performance of all obligations under this Lease Agreement have been duly authorized, do not and will not conflict with any provision of Lessee's charter or bylaws or of any agreement, indenture, lease or other instrument to which Lessee is a party or by which Lessee or any of its property is or may be bound. Lessee warrants and agrees that this Lease Agreement does not require any governmental authorization, approval, license or consent which has not been duly obtained and is not in effect and that if any such authorization, approval or license is hereafter required, Lessee will cause the same to be promptly obtained.
22. MISCELLANEOUS.
 - 22.1 The section headings are inserted herein for convenience of reference and are not part of and shall not affect the meaning or interpretation of this Lease Agreement or any Equipment Schedule.
 - 22.2 Any provision of this Lease Agreement which is unenforceable in whole or in part in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such unenforceability without invalidating any remaining part or other provision hereof. Any provision of this Lease Agreement which is unenforceable in whole or in part in any jurisdiction shall not be affected in any manner by reason of such enforceability in any other jurisdiction. The validity and interpretation of this Lease Agreement and the rights and obligations of the parties hereto shall be governed in all respect by the laws of The Commonwealth of Massachusetts.

- 22.3 This Lease Agreement, all Equipment Schedules and Certificates of Acceptance constitute the entire agreement between Lessor and Lessee and shall not be amended, altered or changed except by a written agreement signed by the parties hereto.
- 22.4 This Lease Agreement shall be binding upon and inure to the benefit of Lessor and Lessee and their respective successors, assigns, heirs and representatives.
- 22.5 Any notice required to be given by Lessee or Lessor hereunder shall be deemed adequately given if sent by registered or certified mail, return receipt requested, to the other party at their respective addresses stated herein or at such other place as either party may designate in writing to the other.
- 22.6 Lessee agrees to execute and deliver such additional documents and to perform such further acts as may be reasonably requested by Lessor in order to carry out and effectuate the purposes of this Lease Agreement. Lessee further agrees to execute any instrument necessary for filing or recording this Lease Agreement and/or any Equipment Schedule upon request from Lessor. Lessor is hereby authorized to insert in any Equipment Schedule the serial numbers of the Equipment and other identifying marks or similar information.
- 22.7 This Lease Agreement and/or any Equipment Schedule cannot be cancelled or terminated except as expressly provided.
- 22.8 With respect to the return of the Equipment, time is of the essence in this Lease Agreement. Whenever the context of this Lease Agreement requires, the singular number includes the plural and the plural includes the singular. Whenever the word Lessor is used herein it includes all assignees and successors in interest of Lessor. If more than one Lessee are named in this Lease Agreement or in any Equipment Schedule, the liability of each shall be joint and several.
- 22.9 All agreements, indemnities, representations and warranties of Lessee made herein and relating to or arising out of actions, damages, losses or events or resulting during the term of this Lease Agreement and all rights and remedies of Lessor relating thereto shall survive the expiration or other termination of this Lease Agreement and/or any Equipment Schedule.
- 22.10 Any waiver of any power, right, remedy or privilege of Lessor hereunder or under any Equipment Schedule shall not be effective unless in writing signed by Lessor.

IN WITNESS WHEREOF, Lessor and Lessee, each by its officer or agent hereunto duly authorized, have duly executed this Lease Agreement which is intended to take effect as a sealed instrument, as of the day and year first written above.

ALBY-OLIN CHLORATES COMPANY, a partnership

By _____

Title _____

Accepted at Boston, Massachusetts
BancBoston Leasing Inc.

By *John L. Baker*

Title VICE PRESIDENT

STATE OF Connecticut)
) SS
COUNTY OF Fairfield)

On this 9 day of January, 19 86 before me personally appeared, Windorn C. Cooke, to me personally known, who being by me duly sworn, acknowledged that he is the Vice-President of Alby-Olin Chlorates Company, a Connecticut partnership, that the foregoing instrument was executed on behalf of said partnership with full authority, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said partnership.

S. Donna Custagna - Malton
Notary Public

(Seal)

My Commission Expires:
MARCH 1989

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 19 ____ before me personally appeared, _____, to me personally known, who being by me duly sworn, acknowledged that he is the _____ of BancBoston Leasing Inc., a Massachusetts corporation, that the foregoing instrument was executed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

(Seal)

My Commission Expires:

EQUIPMENT SCHEDULE NO. 1001

This Equipment Schedule No. _____ is hereby made a part of the MASTER LEASE AGREEMENT dated as of December 31, 1985 between BancBoston Leasing Inc., as Lessor, and Alby-Olin Chlorates Company, a Connecticut partnership, as Lessee.

1. EQUIPMENT:

<u>Description</u>	<u>Quantity</u>	<u>Serial Number</u>
3500 cubic foot capacity hopper cars, Naqua-Matic Slurry Solution, for shipment of Sodium Chlorate	60	(See Exhibit A-1)
2. TOTAL EQUIPMENT COST:	\$15,273 per unit	excluding lining
3. LEASE TERM:	60 months	
4. MONTHLY RENT:	\$316 per unit	in advance
5. (Intentionally omitted)		
6. DELIVERY SITE:	<u>Valley Field, Quebec, Canada</u>	

LESSOR:

BancBoston Leasing Inc.

LESSEE:

Alby-Olin Chlorates Company, a partnership

By

Charles Jackson

By

Title VICE PRESIDENT

Title _____

EXHIBIT A-1

RUNNING
NUMBER

NAHX

31956
31966
31976
31980
31981
31987
32033
32035
32039
32041
32042
32043
32043
32045
32046
32050
32084
32121
32126
38132
45214
51548
51557
51561
51564
51566
51573
51849
51850
51851

51984
52087
52223
52250
52257
52369
52414
52423
52426
52491
52501
52502
52505
52515
52523
52524
52526
52544
52548
52549
52579
52580
52583
52584
52585
52626
52655
52656
98107
98110
98122

CERTIFICATE OF ACCEPTANCE

T0: BancBoston Leasing Inc.
100 Federal Street
Boston, Massachusetts 02110

Pursuant to the MASTER LEASE AGREEMENT dated December 31, 1985 (the "Lease Agreement") between BancBoston Leasing Inc. (the "Lessor") and the undersigned (the "Lessee"), the equipment described on Equipment Schedule No. _____ (the "Equipment") has been delivered to the location set forth in such Equipment Schedule, has been tested and inspected by Lessee, and has been found to be in good repair and working order.

The Equipment has been accepted and placed in service by Lessee for all purposes under the Lease on _____, 1985 (the "Commencement Date").

Lessee represents, warrants and covenants that: (a) as of the Commencement Date, the Equipment is used reconditioned equipment, but not previously used by Lessee; (b) tax depreciation on the Equipment has not been and will not have been allowed, allowable or otherwise deductible by Lessee; and (c) Lessee has no investment in the cost of the Equipment.

This Certificate of Acceptance applicable to Equipment
Schedule No. _____ shall constitute a part of the
Lease Agreement.

IN WITNESS WHEREOF Lessee, by its officer or agent
hereunto duly authorized, has duly executed this Certificate
of Acceptance which is intended to take effect as a sealed
instrument.

Alby-Olin Chlorates Company, a
partnership

By _____

Title _____

Schedule 1

Running Numbers:

<u>NAHX</u>	<u>NAHX</u>
31980	51851
31981	51984
32033	52250
32039	52369
32041	52491
32043	52502
32045	52505
32046	52515
32050	52523
32084	52526
32121	52548
32126	52549
38132	52579
51561	52580
51564	52626
51849	52655
	52656

33 Cars Accepted